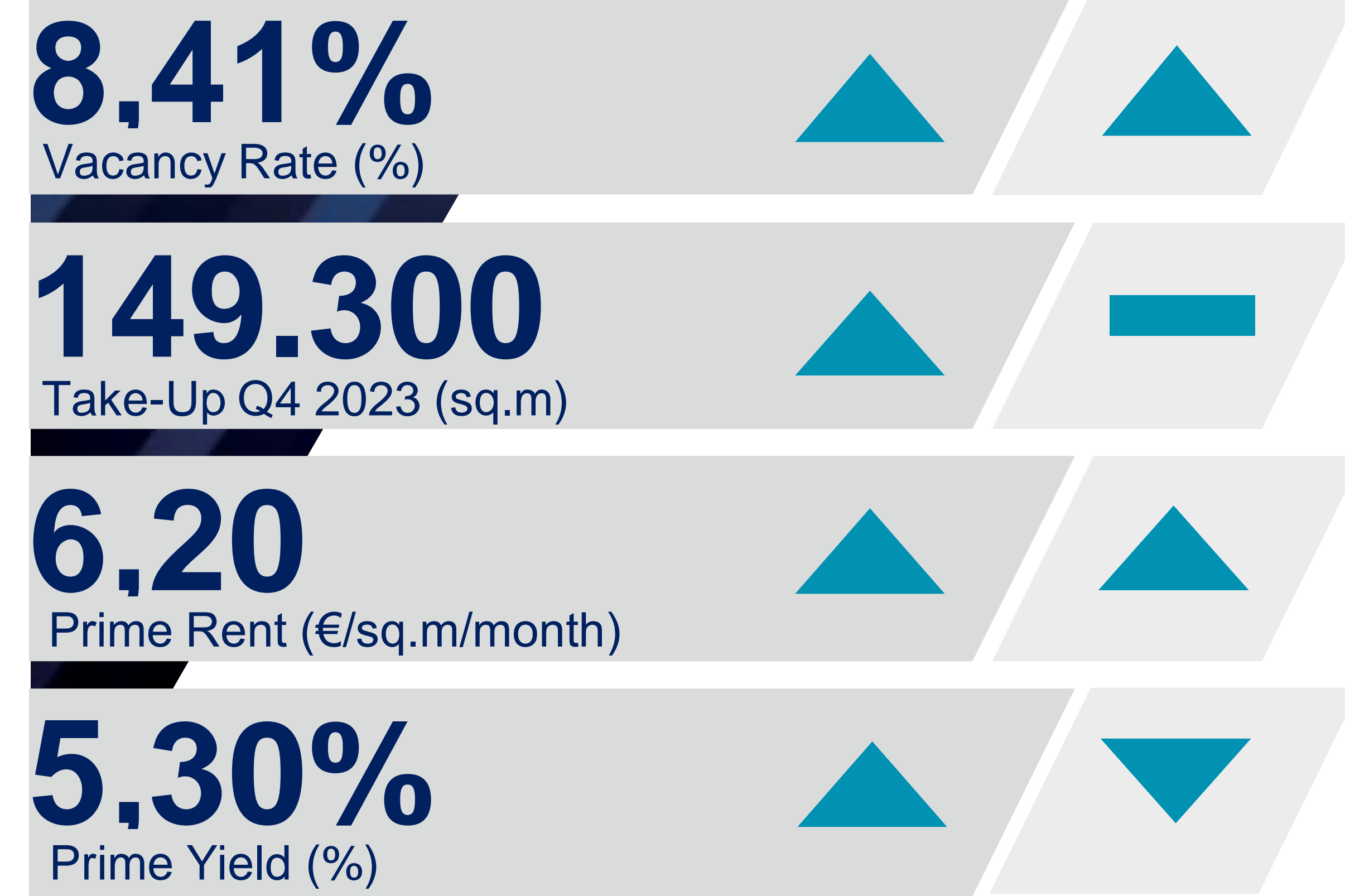


YoY change 12 month forecast



The third ring impacts demand in the closing quarter despite the upward cycle

An unexpected softening of take-up during the closing quarter of 2023, following vigorous activity throughout the year and a third quarter exceeding 300,000 sq m. The fourth quarter produced a figure of 149,212 sq m to close the year, representing a fall of 50% in comparison with the preceding quarter. If we compare this with the figure for the same period in 2022, take-up fell by some 67%. This significant reduction is largely due to the fact that Q4 2022 produced the all-time record for take-up.

In terms of the aggregate for the year, the figure for logistics floorspace failed to reach the anticipated one million square metres transacted, finishing up at around 845,000 sq m. This figure represents continuity in terms of the positive trends in recent years, at some 12% above the average take-up. Turning to the number of deals, some 13 new contracts were signed in the months of October and December, bringing the total for 2023 to 77. The average floorspace corresponding to these deals amounted to 15,371 sq m, a rise of some 23% on the figure for the same period in 2022.

It is important to note that 3 deals exceeding 30,000 sq m on the part of major logistics operators amounted to around 40% of take-up during the third quarter. In terms of asset quality, the trend towards the highest specifications and, as is the case in other sectors, compliance with ESG (Environment, Governance & Social) criteria, is garnering an ever greater market share. Of the 6 deals exceeding 5,000 sq m over the quarter, 100% related to A-grade assets. Looking at the year as a whole, 2023 began with A rated assets representing some 60%.

In terms of the close of 2023, the fall suffered in comparison with the forecast made during the third quarter is largely due to the lack of deals over the closing three months in the third ring, where average deal size stands at 25,000 sq m. Looking to 2024, it is anticipated that a number of large-scale transactions will be signed during the first quarter, these having been delayed beyond the close of year. We will continue to see figures close to one million square metres, driven by dedicated e-commerce operators, 3PL operators and the food sector, the latter also committing to in-house development on some sites.

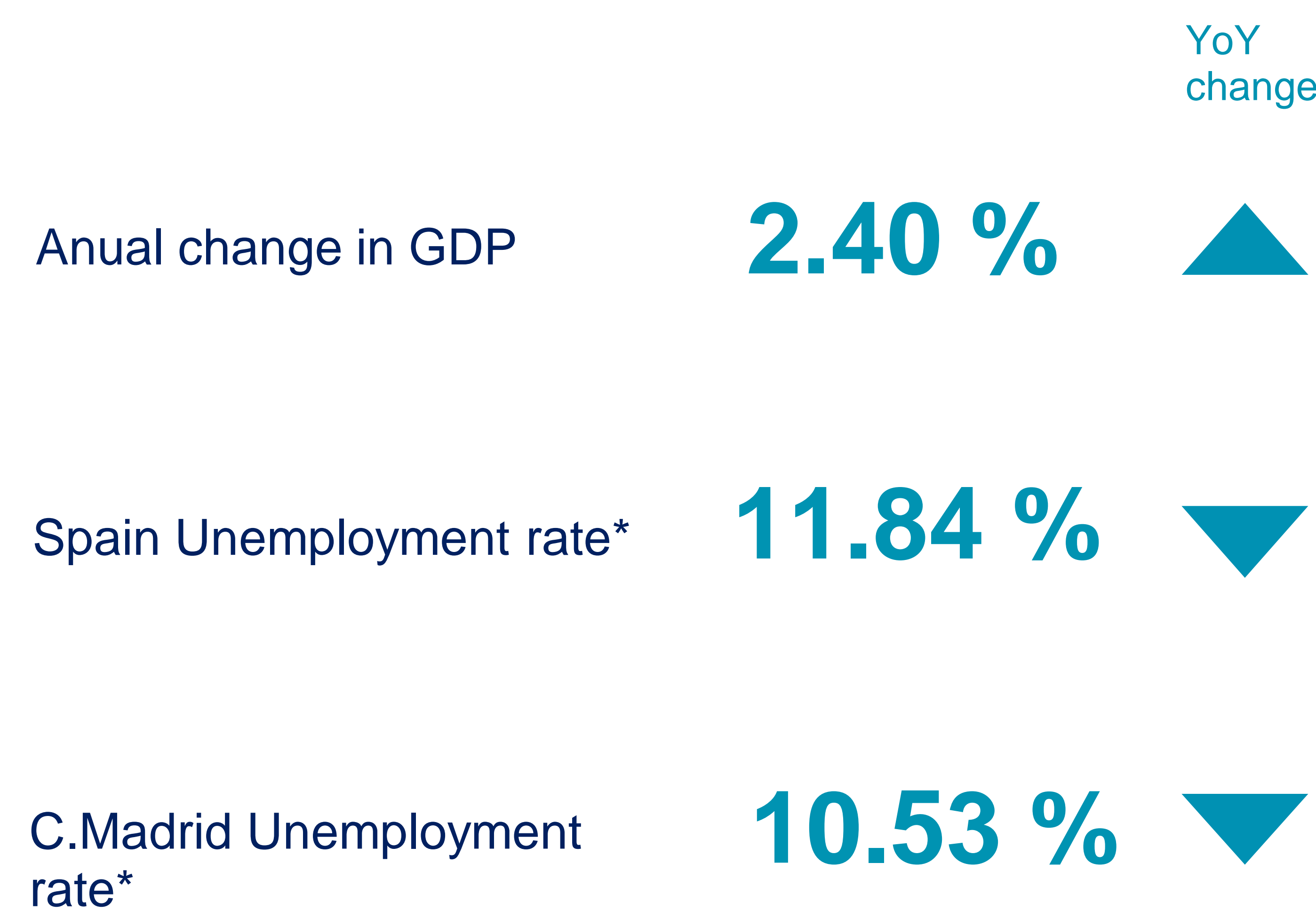
Vacancies and rents

Average rents increased throughout 2023, rising between 5% and 10% in comparison with the close of 2022, the levels for Madrid being close to €5.00/sq m/month driven by the take-up of high-specification platforms in the market.

Following various months of stability in terms of prime rents, these grew moderately during the final quarter to close at around €6.20/sq m/month in the most sought-after locations within the first ring of the capital. This trend is forecast to continue during the opening months of 2024. It is worth mentioning the turnkey project signed by SEUR on more than 60,000 sq m in Getafe.

The fundamentals of the logistics sector remain strong despite changes in the socio-economic context, with vacancy rates staying at around 8%. If we take into account the new offerings entering the market over the past 12 months, increasing stock by more than 900,000 sq m and bringing the total to around 12,000,000 sq m, the stability of the vacancy rate over the same period further emphasises the current strength of the sector.

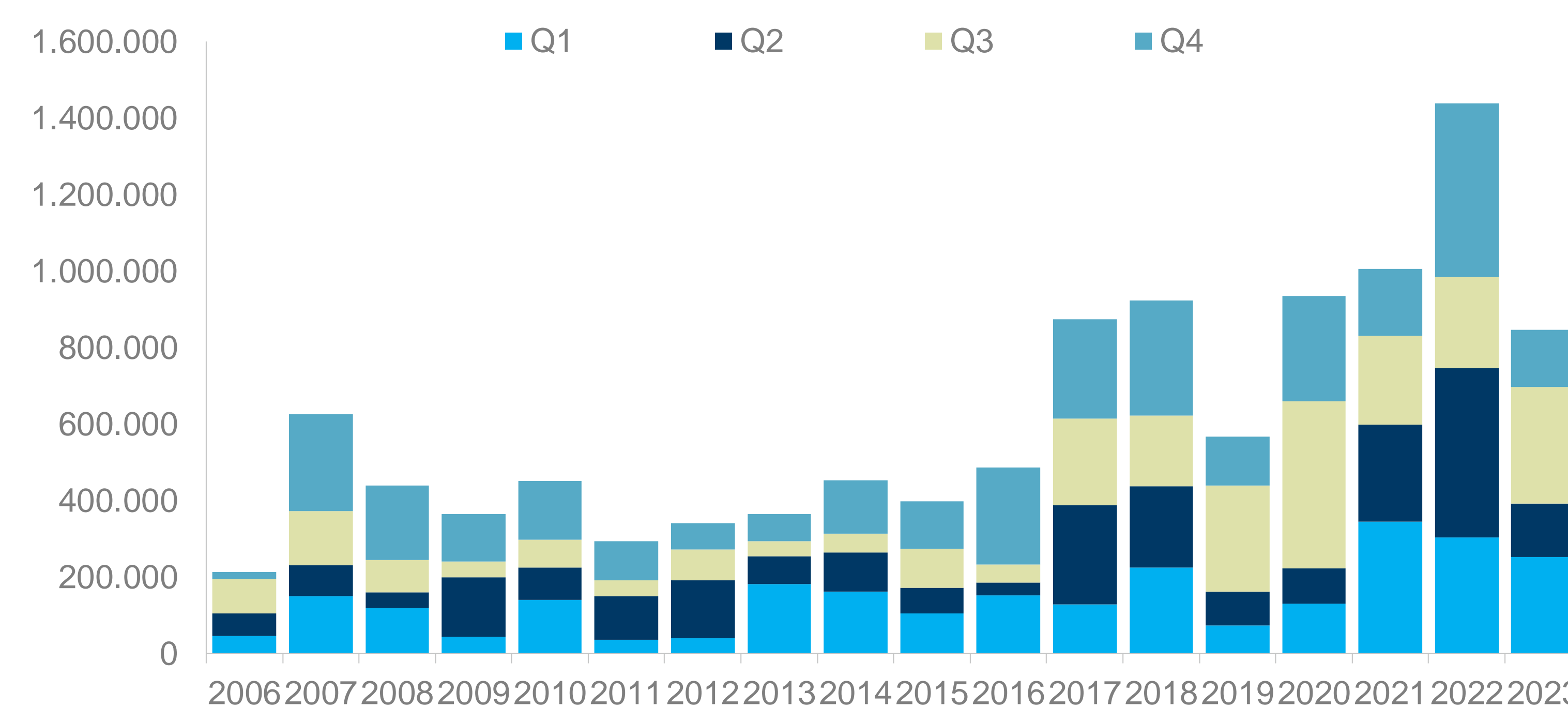
ECONOMIC INDICATORS – SPAIN Q4 2023



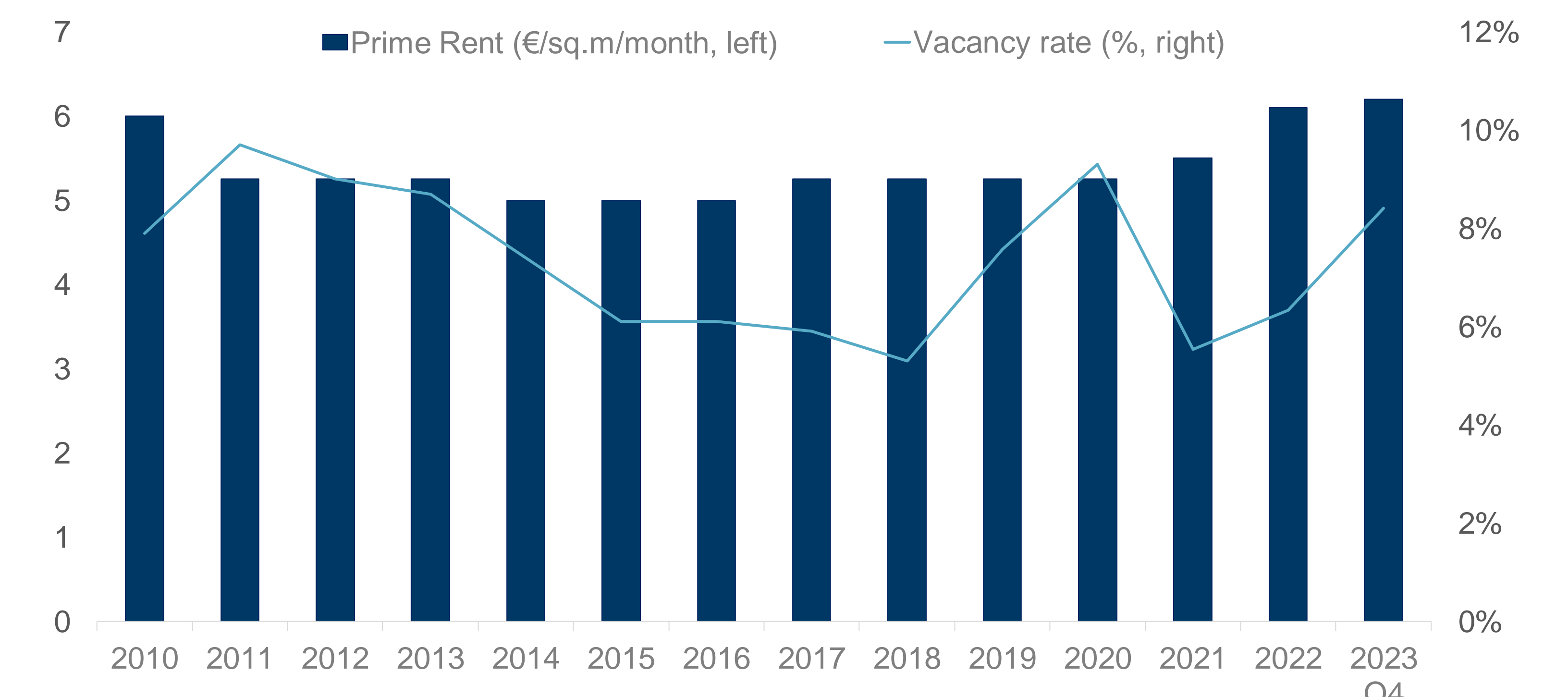
Source: National Statistics Institute

*Data as at Q3 2023

QUARTERLY FLOORSPACE DEMAND (sq m)



VACANCY RATE AND PRIME RENT



A record quarter hampered by take-up in the third ring

Turning to an analysis of demand according to thoroughfare, the Henares Corridor cornered some 47% of take-up and 53% of deals during the third quarter, despite the growing emergence of the city's southern thoroughfare. In contrast, the A-4 / A-42 dual carriageways represented 46% and 32% of take-up. It is notable that nine deals here exceeded 20,000 sq m, seven of which were situated in the 3rd ring.

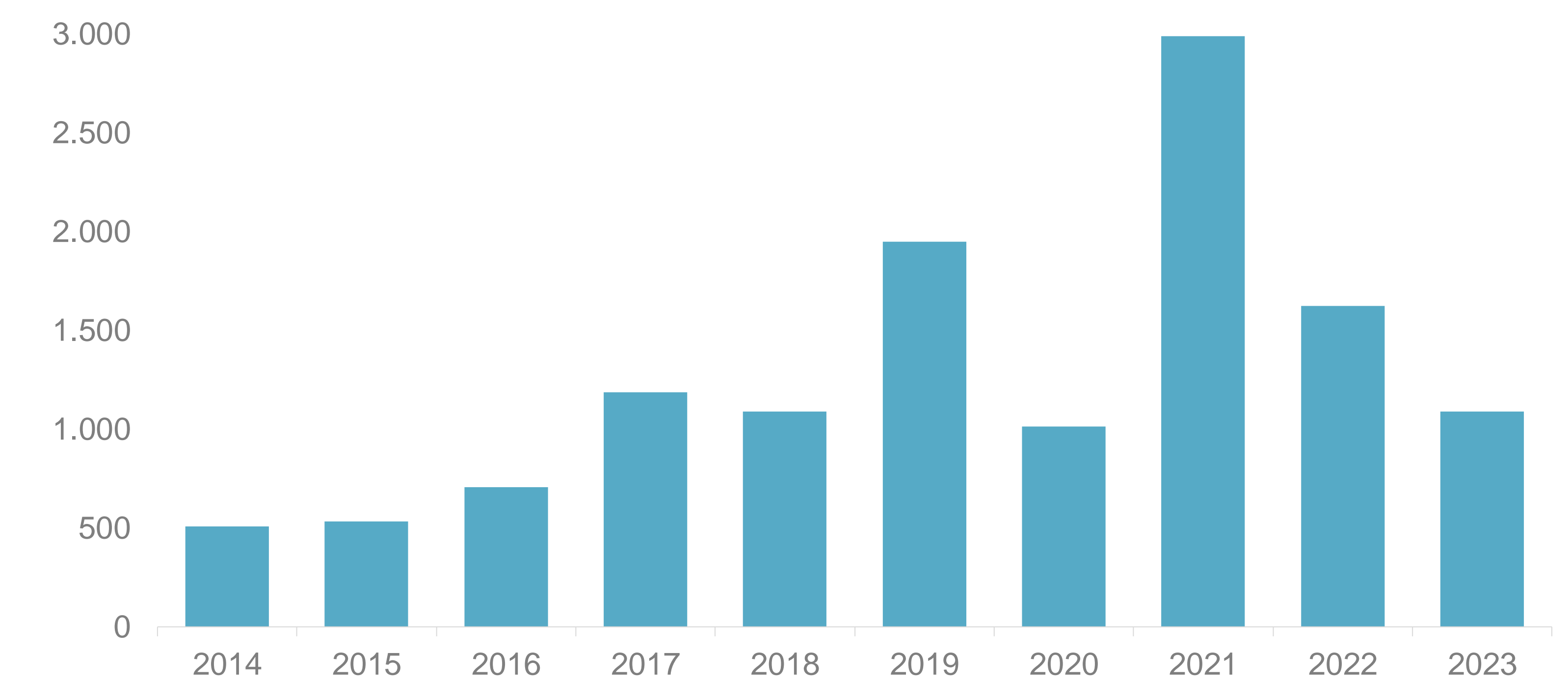
It is also worth mentioning take-up during the closing quarter of the year on the A-3 highway which, with the take-up of new platforms on estates such as the Atalayuela in Vallecas, closed a record year with more than 6 deals and 30,000 sq m signed for, the vast majority being during the months of October to December.

If we analyse demand according to logistics ring, take-up came to a standstill during the last quarter of the year in the third ring, with no significant transactions recorded. This led to a softening of take-up for the market as a whole. Nevertheless, the aggregate for the year shows a figure of 49% for take-up and 25% in terms of the number of deals. For the year as a whole, it is Worth mentioning deals such as Ontime, with 50,000 sq m in a turnkey framework in Noblejas, A-42, and Suardiaz, with more than 42,000 sq m in Illescas on a Newdock logistics platform.

Take-up in the first ring exceeded 121,000 sq m during the closing quarter of the year, corresponding to 62% of the total for the quarter shared between 9 deals with an average ticket size of 13,000 sq m. In terms of volume, SEUR's take-up of an A-grade Goodman platform in Getafe is noteworthy, as is the activity of Logifrio in Fuenlabrada. Added together, the foregoing represent 72% of the floorspace transacted during the fourth quarter. The aggregate for the year in the first ring shows 48 new contracts and 365,000 sq m transacted, these numbers being similar to 2022.

Lastly, the second ring closed the year with 4 deals exceeding 27,000 sq m. This represents an aggregate close of 69,770 sq m, giving a reduction of 60% in comparison with 2022 and 6 deals (reduction of 60% in comparison with 2022). Also noteworthy during the closing quarter was ATDL's signature on an Invesco platform in Pinto, amounting to more than 9,000 sq m.

LOGISTICS TOTAL INVESTMENT SPAIN (€m)



Investment

Despite the macroeconomic uncertainty caused by geopolitical conflicts and rises in interest rates in 2023, the logistics sector continues to whet investor appetites alongside the residential market.

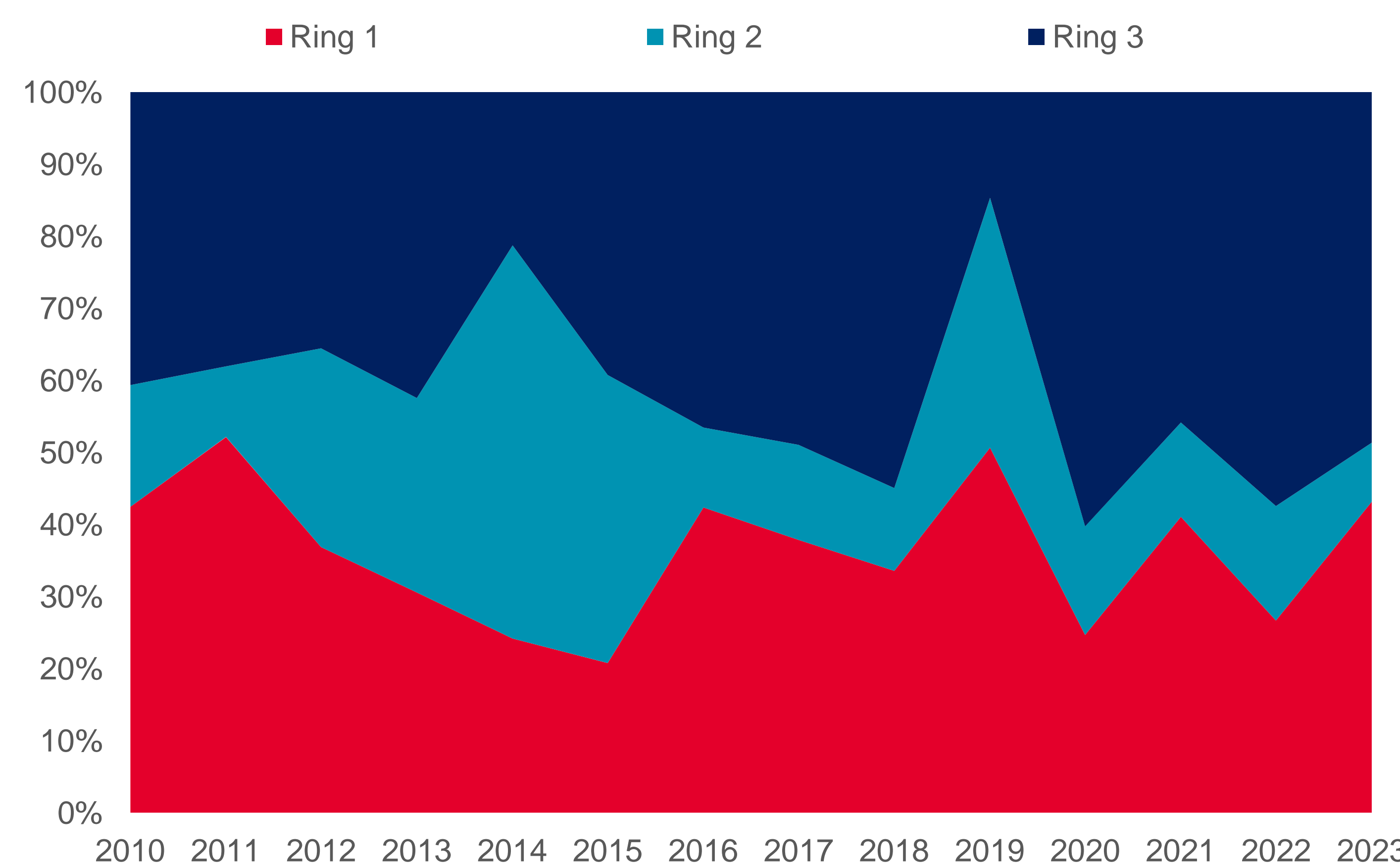
Trend-wise, and in contrast to previous periods, 2023 has inclined towards the relocation of investment away from the Madrid and Barcelona markets. Investors are seeking out interesting locations away from the two leading cities that swallow up more than 50% of capital.

The industrial logistics sector closed the year with investment close to the predicted €1 billion. The softening in comparison with 2022 relates to the volume reached, rather than the number of deals, where the figure for the preceding year (60 transactions) was achieved.

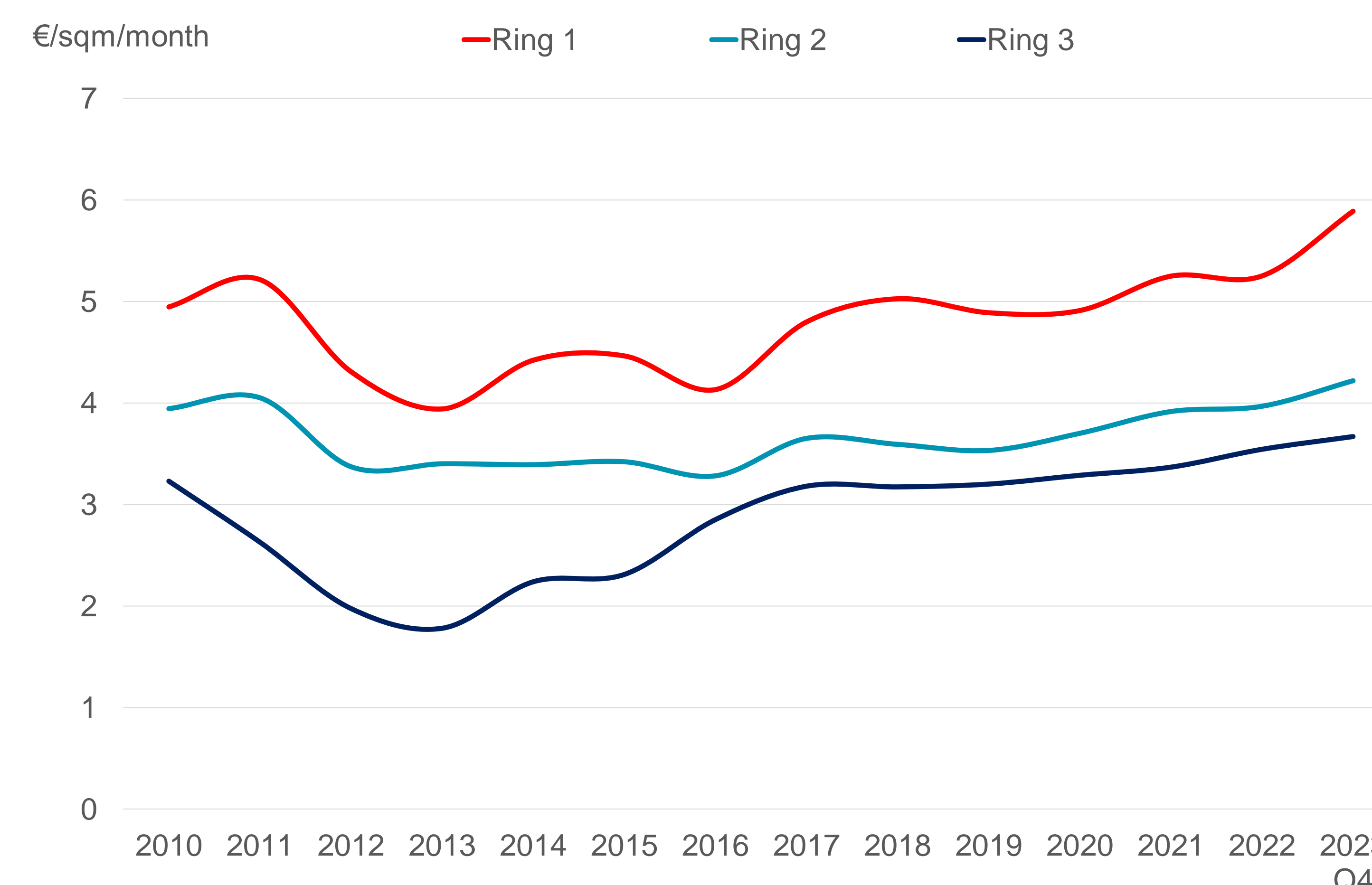
The return of major portfolio and large-scale logistics platform deals is anticipated for 2024. The month to date has seen some €100 million in transactions at a national level.

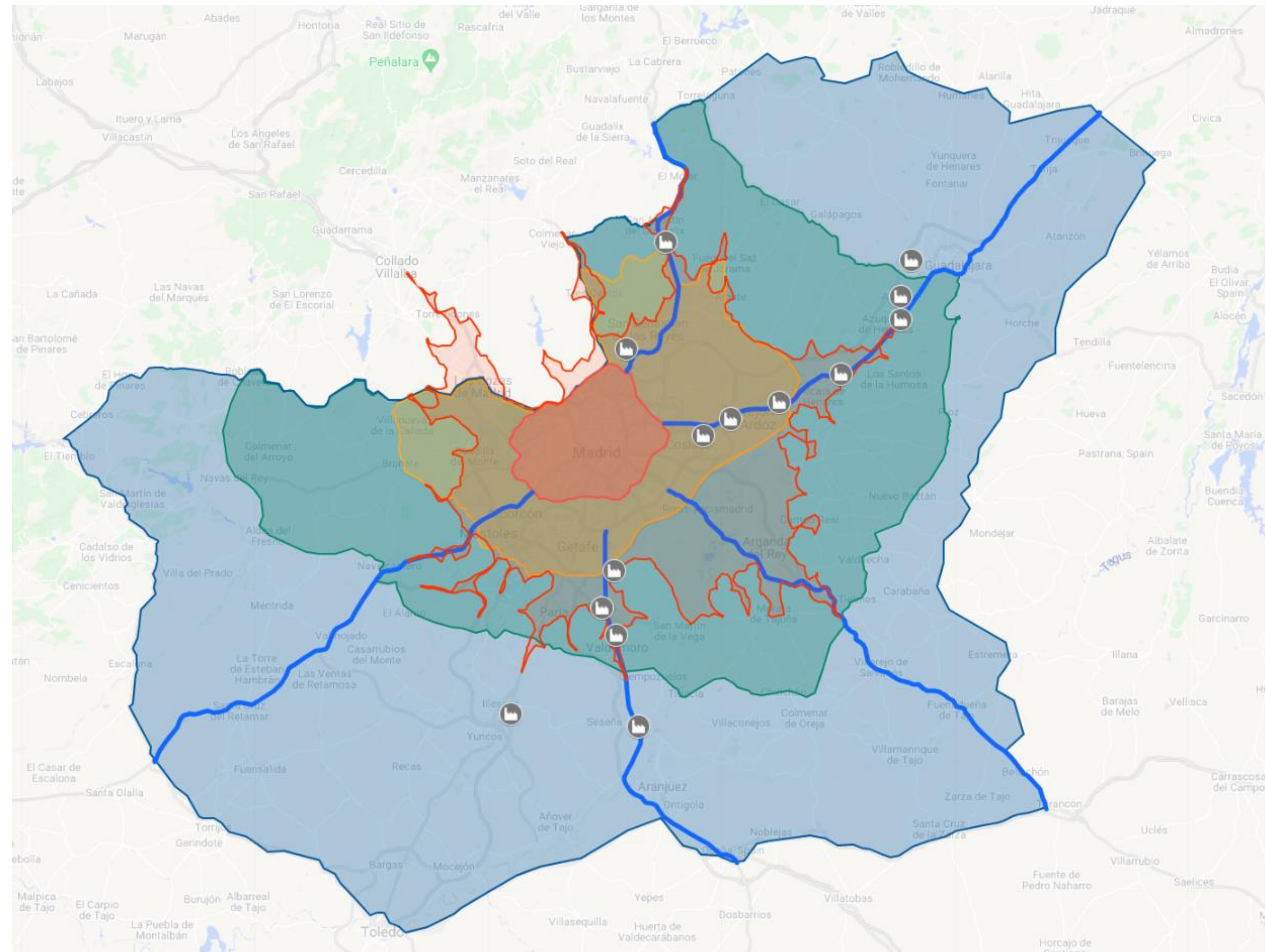
Lastly, yield decompression of between 45 and 75 basis points for the various asset types was seen throughout 2023. This was due to interest rate rises leading to an imbalance between the yields required by buyers and the prices sought by vendors. The opposite effect is anticipated as of the second half of 2024, as soon as falls in interest rates begin to appear.

TAKE-UP BY AXIS (sq m)



AVERAGE RENT TREND BY RING





MAIN DEALS IN Q4 2023

LOCATION	RING / HIGHWAY	TENANT	AREA (sq m)	TYPE*
Getafe	1 / A-4	Seur	66.000	Lease
Fuenlabrada	1 / A-42	Logifrio	21.015	Lease
Pinto	2 / A-4	ATDL	9.939	Lease

MAIN PROJECTS DELIVERED IN Q4 2023

LOCATION	RING / HIGHWAY	MAIN TENANT	AREA (sq m)	OWNER
Toledo	3 / A-42	INDITEX	135.130	MONTEPINO LOGÍSTICA, S.L.U
Toledo	3 / A-42	ALCAMPO	98.000	GLP

MAIN INVESTMENT DEALS IN Q4 2023

LOCATION	RING / HIGHWAY	BUYER	VENDOR	AREA (sq m)	PRICE (M€)
Fuenlabrada	1 / A-42	BGO	Private Investor	21.500	38
Azuqueca de Henares	2 / A-2	Alderan	Private Investor	9.348	8,9
San Fernando de Henares	1 / A-2	Roebuck Asset Management	Delikia Fresh	2.600	2,9

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Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 52,000 employees in over 400 offices and approximately 60 countries. In 2022, the firm had revenue of \$10.1 billion across core services of property, facilities and project management, leasing, capital markets, and valuation and other services. In 2022, C&W is named by Euromoney the best professional real estate consultancy firm in the world for the fifth consecutive year.

In Spain, where Cushman & Wakefield has over 30 years of experience, the company's business covers the entire Spanish geography. The headquarters are located in Madrid (Beatriz Building, Jose Ortega y Gasset, 29, 6º) and Barcelona (Passeig de Gràcia, 56, 7º). To learn more, visit www.cushmanwakefield.es or follow @CushWakeSPAIN on Twitter

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Industrial Q4 2023

	YoY change	12 month forecast
7,14% Vacancy Rate (%)	▲	▲
113.900 Take-Up Q4 2023 (sq.m)	▼	▬
7,50 Prime Rent (€/sq.m/month)	▲	▲
5,20% Prime Yield (%)	▲	▼

Quality and location, key throughout 2023

Spain's logistics market has undergone a significant degree of professionalisation over recent years, in tandem with the consolidation of new shopping habits. The Covid-19 pandemic arrived at a time in which the logistics sector was capable of providing an agile response to a rapid shift in consumer habits towards online channels. Recent world economic crises and interruptions have highlighted the length and complexity of supply chains that are just as fragile as they are efficient. This has incentivised businesses to examine their supply strategies. Nearshoring is increasingly coming into the picture with the localisation of production or supply close to consumer markets.

Proof of this is the 13% growth in take-up in these prime locations in comparison with 2022, with 11 deals involving more than 72,000 sq m having been struck over the year.

The Barcelona market closed 2023 with 523,000 sq m in logistics take-up, representing a fall of 38% in comparison with the record year of 2022. At 59, the number of deals was, however, in line with the preceding year. Take-up amounted to more than 113,000 sq m during the fourth quarter, a figure some 50% below that for the same period in 2022, though representing quarterly growth of 62%. These figures illustrate a logistics market with active demand and the continued willingness of operators to enter into deals and take decisions, though somewhat more hesitantly. For the year as a whole, it is important to highlight the deal involving Penguin Random House, consisting of a new, 42,000 sq m distribution centre developed by Segro and situated within the first ring in Cerdanyola del Vallès.

Both Madrid's and Barcelona's inventory of logistics space has grown over the past 5 years, with newly-built, very high specification warehouses capable of responding to new demands on the part of operators in terms of both environmental efficiency and technology. The demand side is increasingly trending towards the highest specifications and, as is the case in other sectors, compliance with Environmental, Social and Governance criteria.

If we analyse demand by ring over the closing quarter, some 64% of take-up was situated between the first ring and prime area, representing 40% of total take-up. The remaining take-up was equitably shared between the 2nd and 3rd rings of Catalonia's market. In terms of thoroughfares, the AP-7 remains the preferred highway for warehouse location, cornering some 64% of take-up and 50% of deals. Two deals exceeding 20,000 sq m are worth mentioning in terms of volume, these being situated in the second and third rings. If we take into account aggregate figures for the year-to-date, the AP-7 swallowed up 74% of floorspace transacted and, with 36 new contracts, some 61% of deals.

It is additionally important to highlight the uptrend enjoyed over recent months by the A-2 dual carriageway, with annual growth in the number of deals calculated as amounting to 6 new contracts, representing some 10% of total transactions.

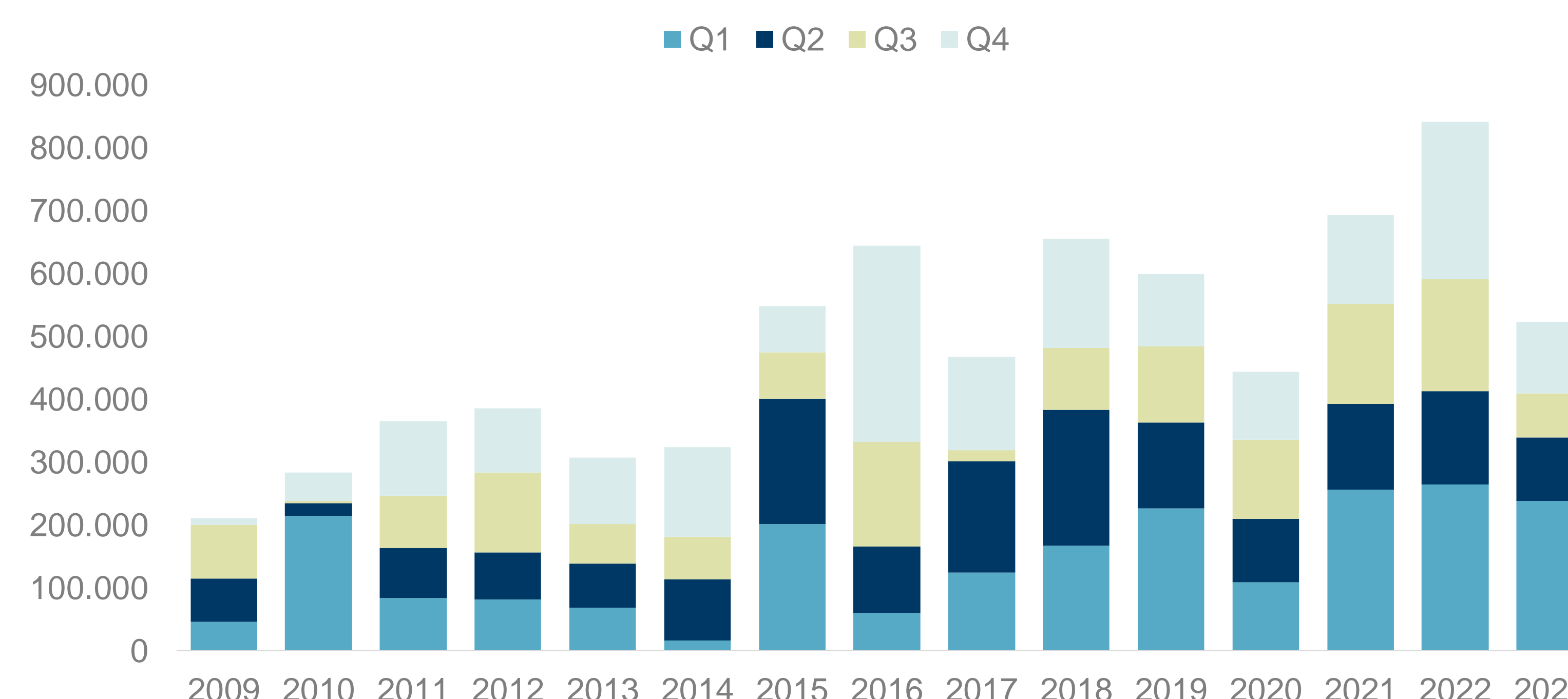
ECONOMIC INDICATORS – SPAIN Q4 2023

	YoY change
Annual change in GDP	2.40 % ▲
Spain Unemployment rate*	11.84 % ▼
Barcelona Unemployment rate*	8.35 % ▼

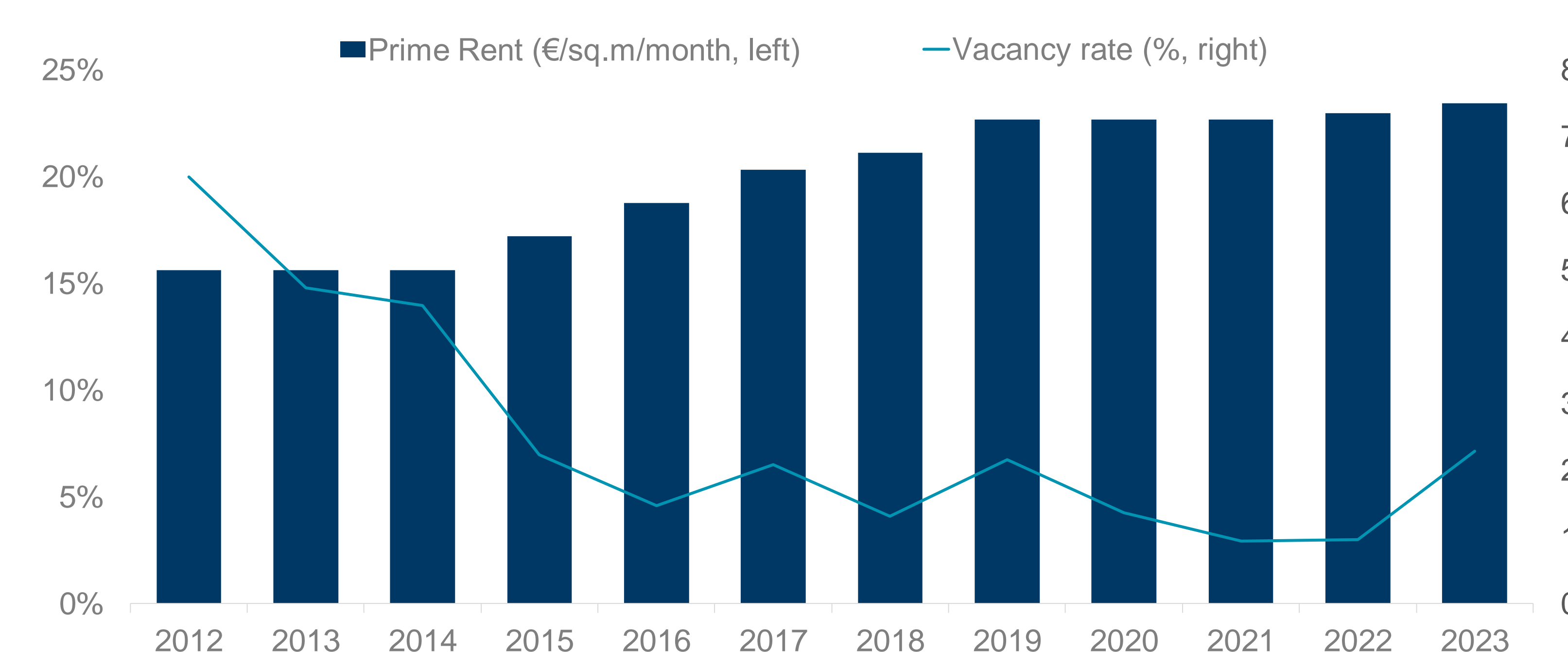
Source: National Statistics Institute

*Data as at Q3 2023

QUARTERLY FLOORSPACE DEMAND (sq m)



VACANCY RATE AND PRIME RENT



Rising rents over the final quarter, despite the increase in vacancies

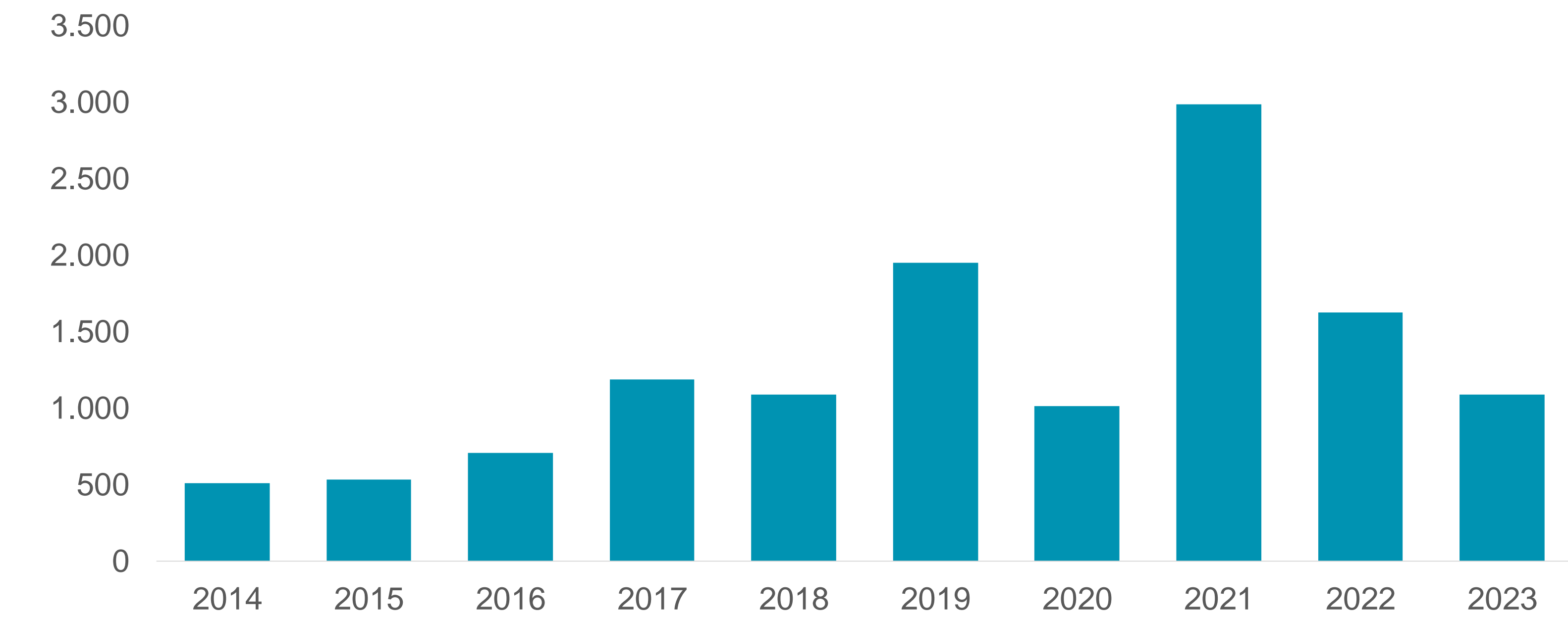
The vacancy rate in Barcelona’s logistics market stands at 7.14%, with new, high specification floorspace being delivered to the market with no end user.

Construction activity remains energetic and, prior to the close of 2024, it is anticipated that around 371,000 sq m will be delivered to the market, some 19% of which already has users. The location of logistics facilities is the top priority for operators, determined by the focus of their distribution activities, whether local, regional or national, followed in second spot by quality.

New deliveries during 2023 and the available offerings mean that operators have ever-increasing bargaining power just as the need for floorspace is reorganising itself. As a consequence, prime rent has risen from €7.35/sq m/month at the close of 2022 to €7.50/sq m/month at the close of 2023, representing growth of 2% over the past 12 months. As a general trend, average rents in Barcelona’s logistics market increased throughout the year and this is expected to continue during the opening months of 2024.

As set out in the forecasts for the close of 2023 and in spite of the quarterly increase over recent months, there has been a softening of take-up in comparison with 2022. Although the decline in consumer spending halfway through the year had an indirect effect on the logistics sector, the fact that online channels entail greater warehousing and distribution activity softened the impact in the fourth quarter. It is anticipated that take-up levels in Barcelona will remain strong during 2024 due to the high volumes of recent, record-breaking years that have marked the post pandemic cycle. It is expected that take-up figures for 2024 will exceed those of the preceding year.

LOGISTICS TOTAL INVESTMENT SPAIN (€m)



Investment

Despite the macroeconomic uncertainty caused by geopolitical conflicts and rises in interest rates, the logistics sector continues to whet investor appetites alongside the residential market. In contrast to previous periods, 2023 has shown a trend towards the relocation of investment away from the Madrid and Barcelona markets. Investors are seeking out various locations that are attractive in terms of logistics and away from the two leading capital cities, swallowing up more than 50% of aggregate capital for the year.

The industrial logistics sector closed the year with investment close to the predicted €1 billion. The softening in comparison with 2022 relates to the volume reached, rather than the number of deals, where the figure for the preceding year (60 transactions) was achieved.

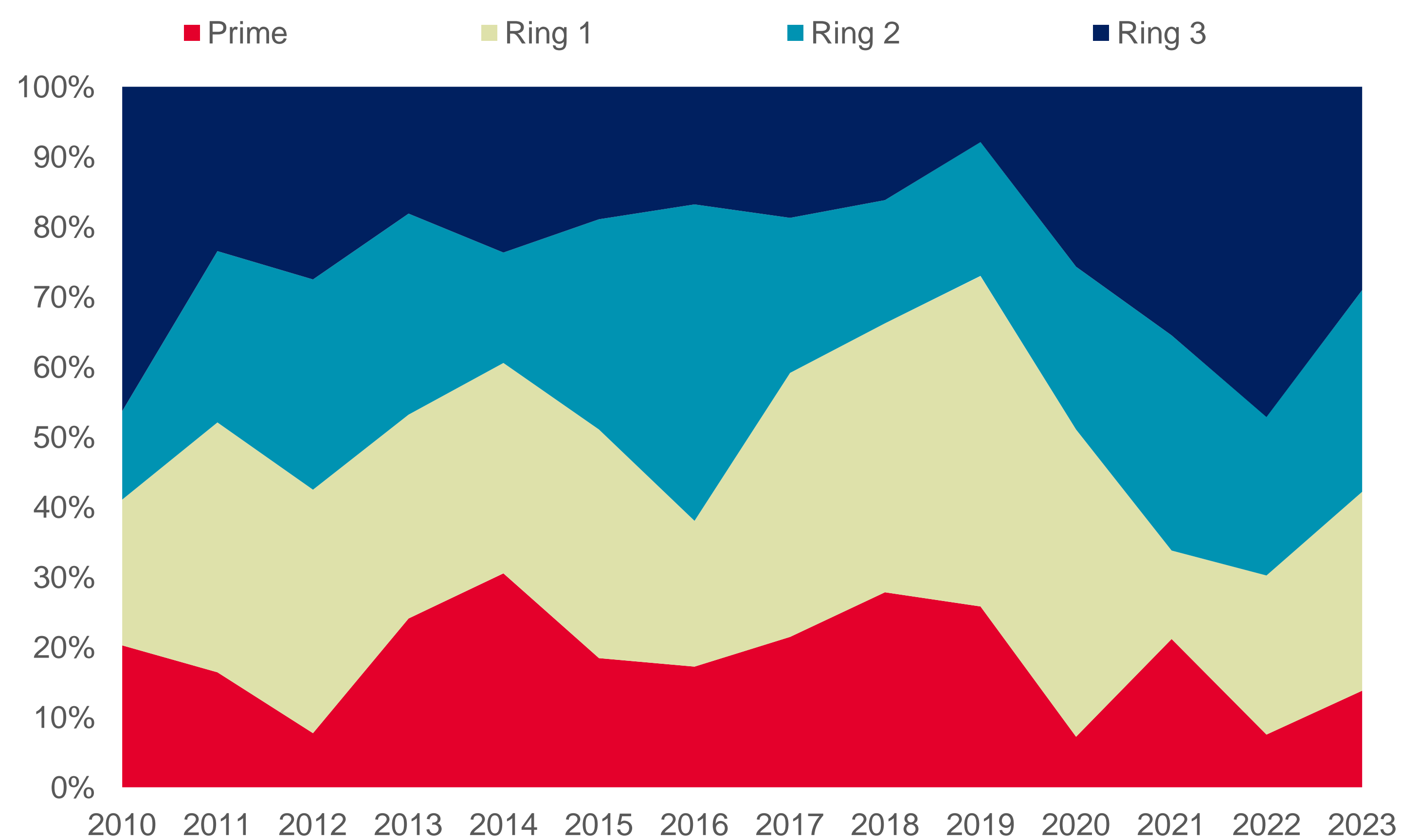
The return of major portfolio and large-scale logistics platform deals is anticipated for 2024. The month to date has seen some €100 million in transactions at a national level.

In terms of areas, investment has mainly been focused on the second ring, cornering some 60% of the deals in the city. The market softened particularly during the second quarter, following a first quarter that saw 83% of the total investment for the year.

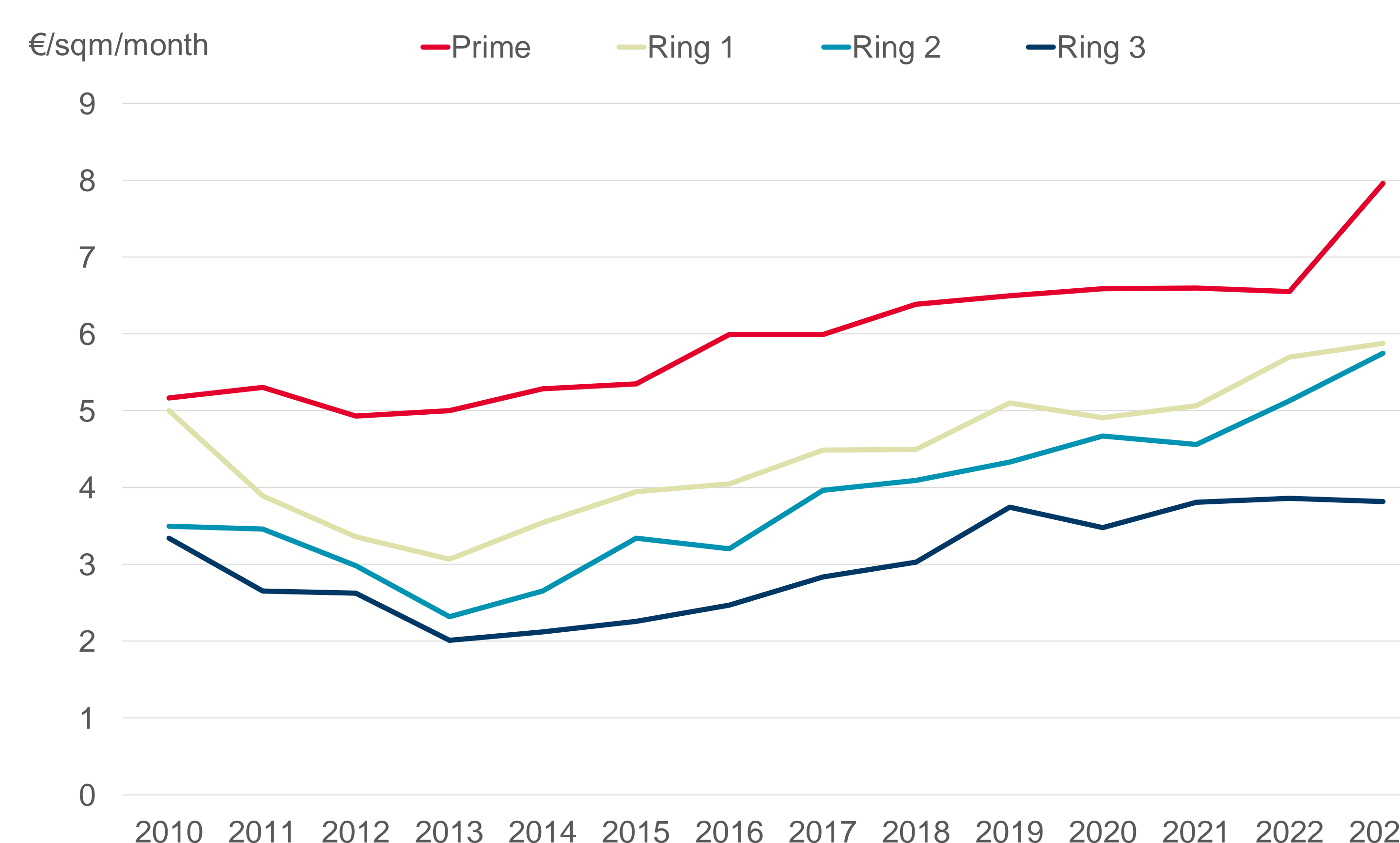
In terms of this quarter, it is important to highlight the acquisition by Mirastar of a turnkey project from Onilsa. This is located in Constantí and represents floorspace of some 12,000 sq m.

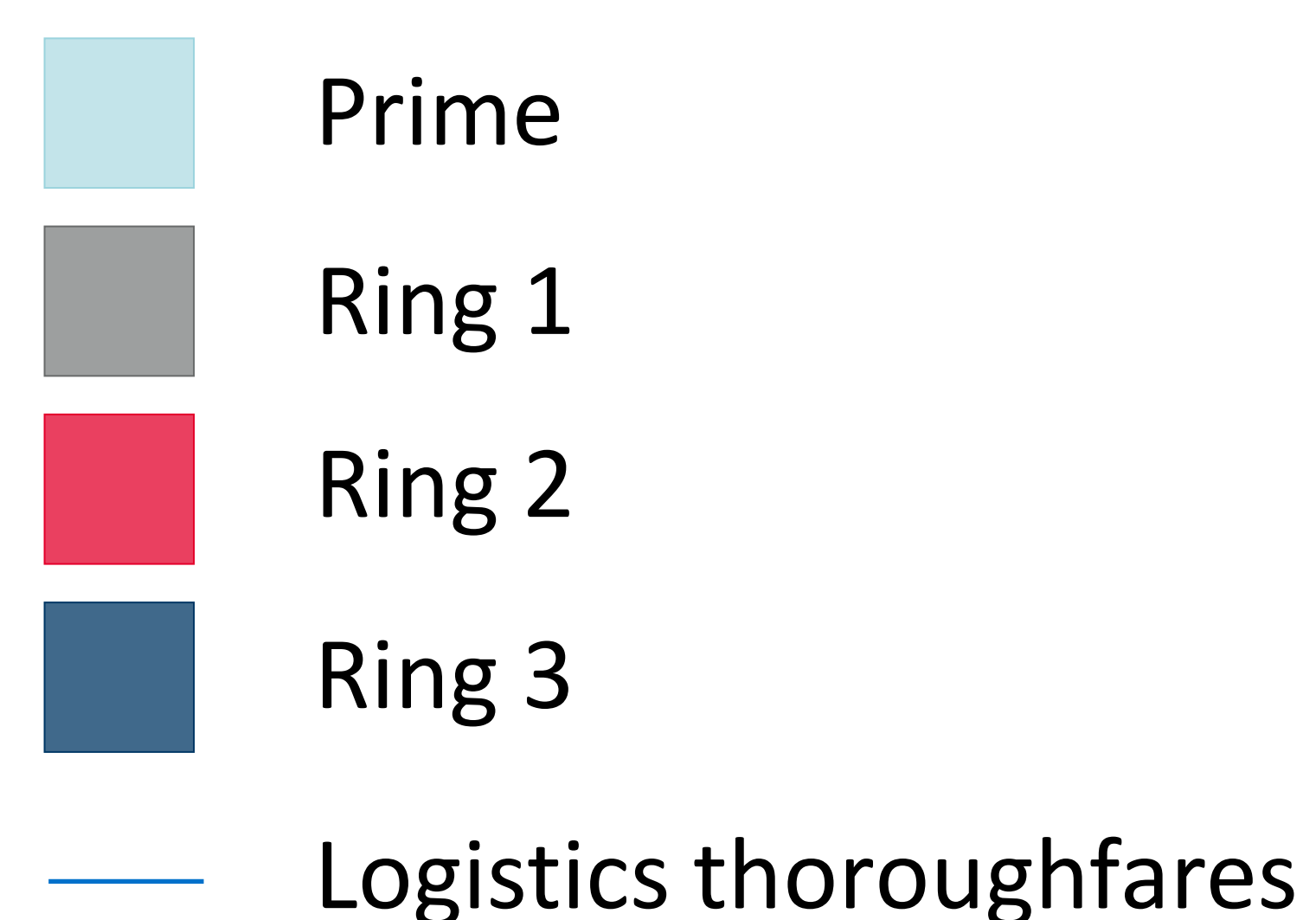
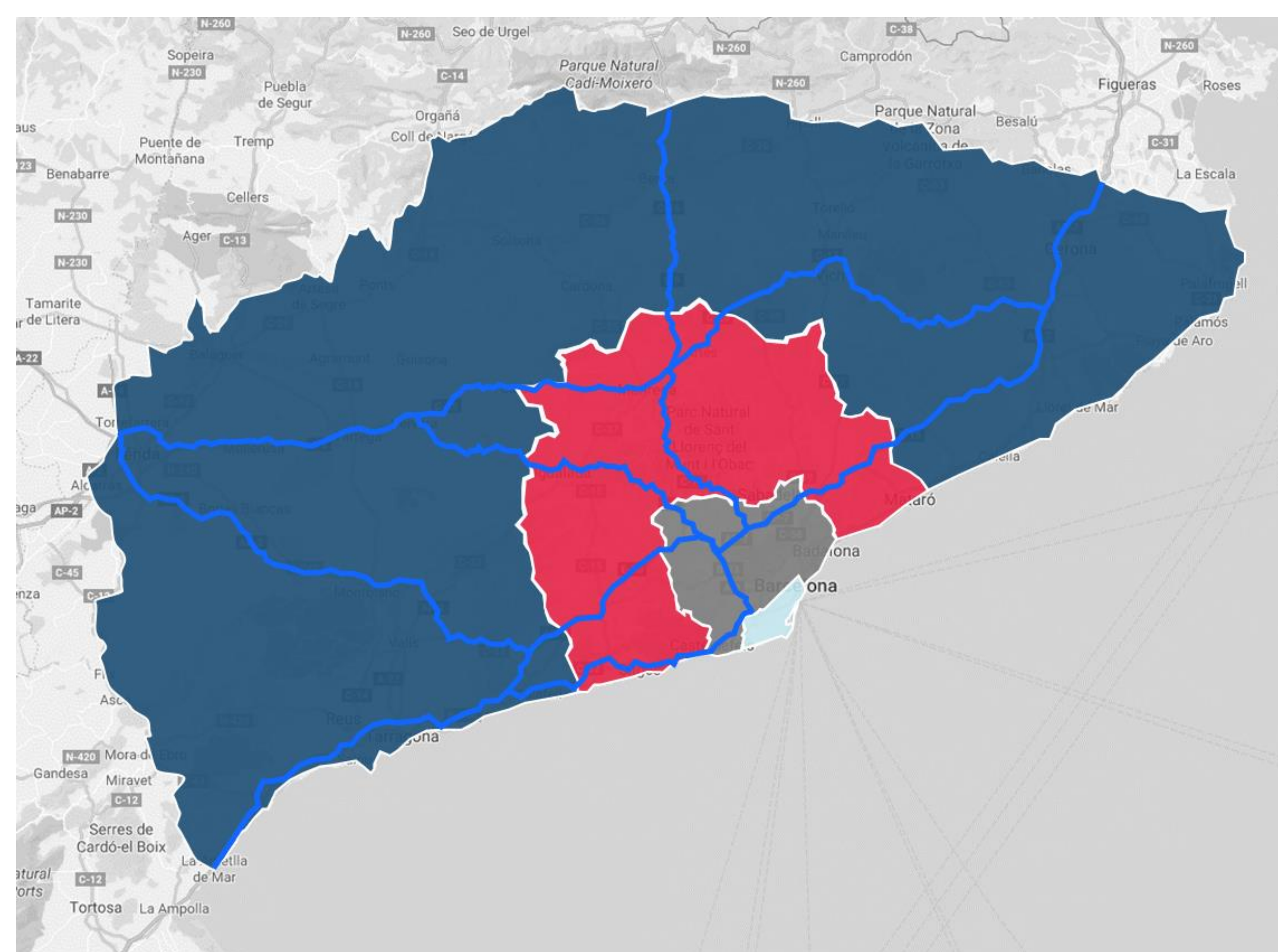
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TAKE-UP BY AXIS (sq m)



AVERAGE RENT TREND BY RING





MAIN DEALS IN Q4 2023

LOCATION	RING / HIGHWAY	TENANT	AREA (sq m)	TYPE*
Sabadell	2 / AP-7	Formacio I Treball	30.000	Sale
Constantí	3 / AP-7	Nedschroef	22.434	Lease
Barcelona	Prime	Archese	11.212	Lease
El Prat de Llobregat	Prime	Big Food Iberia	8.134	Lease

MAIN PROJECTS DELIVERED IN 2023

LOCATION	RING / HIGHWAY	MAIN TENANT	AREA (sq m)	OWNER
La Bisbal del Penedès	3 / AP-7	-	66.430	Panattoni Spain Development SI
La Bisbal del Penedès	3 / AP-7	-	40.000	Panattoni Spain Development SI
Constantí	3 / AP-7	-	38.617	SCANNELL PROPERTIES

MAIN INVESTMENT DEALS IN 2023

LOCATION	RING / HIGHWAY	BUYER	VENDOR	AREA (sq m)	PRICE (M€)
Celrà	3 / AP-7	Boreal IM+Cadillac Fairview	TradeINN	26.250	40
Santa Perpetua de la Mogoda	1 / AP-7	LaSalle Investment Management	Scanell Properties	20.600	37,28

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